

State of Utah Department of Commerce

Division of Securities

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MEDIA ALERT

Securities enters Order against Mascot Financial, Sam Aston, and Scot Stobbe "Investor told he could make 30% return on investment, victim lost \$232K" (For immediate release...)

SALT LAKE CITY, Utah – The Division of Securities announced today that an Order to Show Cause has been issued against Mascot Financial, Samuel Duane Aston and Scot Stobbe for one count of Securities Fraud and one count of Fraudulent Practices. The Utah Division of Securities is seeking a \$900,000 fine from Mascot Financial, Aston and Stobbe.

According to the Order, the victim was contacted by a Mascot sales representative in April 2006 who suggested he try Mascot's services before signing on as a Mascot consultant. The Mascot representative recommended the investor sign up for the "Turbo Charged" plan where investors take out a second mortgage on their home and invest the equity with Mascot's financial partner, Champion Capital, LLC. The Mascot employee claimed the "Turbo Charged" plan would yield an annual 30% return. In May 2006, Aston talked to the victim several times about Mascot's "Turbo Charged" plan and claimed that the investor "could not afford to not make this investment". Among Aston's alleged false claims were; that Mascot Financial had been in business 10 years, the company had branch offices in 20 states, that Aston's family invested with Mascot, that the investor would receive a 30% return over a 36-month period, and that the investment had no risk and was guaranteed by a promissory note.

On May 30, 2006, Aston sent the investor an email outlining Mascot's "Turbo Charged" program where he described how the program worked, boasted of Champion Capital's financial success and claimed that 30% of Mascot's promissory notes were paid within 30 days. The victim signed up for the "Turbo Charged" program and secured a home loan to finance the investment. In August 2006, the victim invested \$340,000 with Mascot Financial by sending a check made out to Champion Capital. He also mailed a personal check to Mascot for the \$11,314.09 enrollment fee. Five months later, the victim learned that Champion Capital was under new ownership, that Mascot Financial had ceased doing business and that Mascot had been replaced by Freedom

Strategies. The investor also learned that Mascot Financial had been in trouble with the State of Utah and would no longer offer debt elimination services. The victim was concerned and contacted the Utah Division of Securities who advised the investor to request a refund. Between September and December 2006, the investor received \$37,912.33 in interest payments from Champion Capital. In May 2007, the new owners of Champion Capital paid the victim \$77,000 of their original \$340,000 investment. In February 2007, Aston deposited \$4,100 into the investor's checking account and promised to pay his mortgage for one year. To date, the victim is still owed \$220,988 in principal from his investment with Mascot Financial plus the \$11,314.09 "Turbo Charged" enrollment fee.

A hearing is scheduled on July 5, 2007 to determine whether Mascot Financial, Aston or Stobbe dispute the Division's allegations.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

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